

THE SEMICONDUCTOR
INVESTMENT ACT OF 1995

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1995

Mrs. JOHNSON of Connecticut. Mr. Speaker, today I am pleased to join my Ways and Means Committee colleagues, Representatives ROBERT MATSUI, PHIL CRANE, and BARBARA KENNELLY, as well as Congresswoman ANNA ESHOO, in introducing the Semiconductor Investment Act of 1995. This legislation will enhance the international competitiveness of the U.S. semiconductor industry by changing the statutory life of semiconductor manufacturing equipment to more accurately reflect the industry's rapid pace of technological change. This change in the tax depreciable life of semiconductor manufacturing equipment from 5 years to 3 years will enable U.S. semiconductor manufacturers to recover capital costs incurred in maintaining state-of-the-art facilities over a period that more closely approximates economic life.

Semiconductors are at the core of all aspects of the information highway. They drive technological advances in computers, telecommunications and consumer electronics, and change our society in ways ranging from telecommuting to electronic banking to promoting citizen access to legislation through the Internet. Semiconductors are at the heart of the \$500 billion U.S. electronics industry that employs more than 2 million Americans. The U.S. semiconductor industry alone provides over 200,000 high-skilled American jobs and has recently regained its position as the world's leading producer of chips. It is a highly capital intensive industry that demands continuing changes to manufacturing infrastructure.

This dynamic industry is based on ever-evolving technology. The rapid pace of technological change makes semiconductor manufacturing equipment obsolete, technologically and economically, soon after being placed into service. Recent economic studies and normal business practices indicate that such equipment should qualify for a 3-year depreciable life under tax depreciation rules because two-thirds of the equipment's economic usefulness is exhausted in the first 2 years and the equipment's full economic life is less than 4 years. However, current U.S. tax rules depreciate semiconductor manufacturing equipment over 5 years, a period significantly longer than the equipment's true economic life. As a result, the U.S. semiconductor industry is at a competitive disadvantage with foreign firms whose cost recovery rules more accurately reflect economic reality.

Japanese semiconductor producers, for example, may depreciate up to 88 percent of their manufacturing equipment in the first year. U.S. producers, on the other hand, may depreciate only 20 percent in the first year. Thus, existing U.S. cost recovery rules are a key factor in determining whether firms build new plants in the United States or overseas. In view of the fact that the global semiconductor industry is expected to invest \$120 billion in capital expenditures during the remainder of this decade, we need more accurate cost recovery rules to ensure that much of that investment is made here—not overseas.

To compete in today's global market, our domestic manufacturers must be able to recover the cost of their capital investments in a timely manner. Reducing the depreciable life of semiconductor manufacturing equipment to 3 years will enable U.S. semiconductor manufacturers to invest the capital needed to keep pace with rapid technological changes and strengthen their international competitiveness.

Mr. Speaker, it is my hope that, as the Committee on Ways and Means reviews the operation of the existing cost recovery rules in the context of the Contract With America, we may have the opportunity to update this narrow, but economically significant, aspect of our cost recovery rules. I urge my colleagues to join us as sponsors of this initiative to keep the United States the home of cutting-edge semiconductor technology.

REGULATORY TRANSITION ACT OF
1995

SPEECH OF

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1995

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 450), to ensure economy and efficiency of Federal Government operations by establishing a moratorium on regulatory rulemaking actions, and for other purposes:

Ms. PELOSI. Mr. Chairman: I rise today in strong opposition to H.R. 450, the Regulatory Transition Act. This is an ill-conceived bill with unknown and unintended consequences. For example, this bill could halt trade sanctions against China if passed in its current form.

Health and safety regulations are also at risk. Passage of this bill could result in another outbreak of the E. coli bacteria if food inspection regulations are not implemented.

In addition, testing standards for urban water supplies would also be endangered, possibly resulting in another outbreak of cryptosporidium which contaminated the water supplies of Washington, DC and Milwaukee.

Mr. Chairman, regulations need to be reformed, not eliminated. This bill poses a serious threat to the health and safety of all Americans.

The enormously broad scope of H.R. 450 represents an assault on one of the basic functions of the Federal Government—protecting public safety and health.

In calling for a regulatory time-out on things like consumer, worker, and environmental protections, the Republican extremists are attempting to dismantle some of our Nation's most critical health and safety standards and protections.

I urge my colleagues to oppose this legislation.

TRIBUTE TO DR. CHARLES W.
JENSEN III

HON. CHRISTOPHER SHAYS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1995

Mr. SHAYS. Mr. Speaker, I would like to take this opportunity to extend my con-

lences to the Jensen family of Riverside, CT, for the loss of their son and brother. Dr. Charles W. Jensen III, 34, a doctor of dental medicine in Greenwich, CT, who died suddenly last Monday morning at his office in Greenwich.

A resident of Stamford, he previously lived in Greenwich and Darien. He had been practicing dentistry for almost 8 years and had just taken over the practice from his father, who retired at the end of December.

Dr. Jensen was an avid sportsman whose special interest was sports fishing. His other interests were softball and golf, and he was a member of the Innis Arden Golf Club.

Born August 24, 1960, in Goldsboro, NC, he moved to Greenwich when he was a year old. He was a 1979 graduate of Greenwich High School, graduated magna cum laude from Fairleigh Dickinson University and was a 1987 graduate of the University of Connecticut Dental School. He was a member of the American Dental Association, the Connecticut State Dental Association, and the Greenwich Dental Society.

In addition to his father, he is survived by his mother, Rachel Vuono Jensen of Riverside; three brothers, James S. Jensen of Silver Spring, MD, Thomas F. Jensen of San Ramon, CA, and Daniel T. Jensen of Riverside; two sisters, Mary Beth Jensen of Park City, UT, and Kathleen Bellissimo of Los Altos, CA; and his girlfriend, Rachel Gregg, of New Canaan, CT.

Charlie will always be remembered as a genial, engaging person of rock solid integrity. The very mention of his name elicited a warm smile and a laugh from all those who knew him. Whether fishing off the shores of Nantucket, boating on Long Island Sound, or caring for his patients in the dental office, Charlie will always be remembered as a wonderful brother, trustworthy friend, and a dedicated professional.

John W. Moffly IV, a long-time friend of the Jensen family, recently stated, "I so much admired Charlie, not only as a professional, but as a person * * * he took such great interest in his patients that I never had a single doubt that whatever the problem, he would find the right solution * * * certain doctors rise above the norm and earn special recognition for their talent, dedication and humanity. This was Charlie."

Mr. Speaker, Dr. Charles W. Jensen III will be very, very missed.

TRIBUTE TO LES T. DAVIS

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1995

Mr. OBEY. Mr. Speaker, I want to take this opportunity to bring to my colleagues' attention the work of a true pioneer in the field of

supercomputing on the occasion of his retirement. Lester "Les" T. Davis, chief operating officer and one of the cofounders of Cray Research, Inc. in Chippewa Falls, WI, recently announced he would retire after 22 years with the company.

Cray Research began in Chippewa Falls in 1972 as a small start-up company with a handful of employees. Les Davis took financial risks, made personal sacrifices, and worked extraordinarily long and hard to create the first broadly used supercomputer. That in turn created a new industry, and with it the company that became synonymous with supercomputing. Cray now has 5,000 employees worldwide.

Mr. Davis has served as the heart and soul of Cray Research, exhibiting both technological and managerial leadership. In addition to his role as the technical and design leader of the company, he has also been Cray Research's No. 1 salesperson, winning and retaining many global customers over the years with his thorough knowledge of Cray architecture, software, and applications.

Mr. Davis has made a significant contribution to the people of Chippewa Falls by helping to increase the economic development in that area for over two decades. He also has made an exceptional contribution to our Nation in advancing America's leadership in the critical field of supercomputing.

I want to thank Mr. Davis for his vision and the spirit he instilled in our Nation's scientific community. We all wish him the best in whatever his future holds.

A TRIBUTE TO JAMES F.
BOATRIGHT

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1995

Mr. DELLUMS. Mr. Speaker, I rise today to pay tribute to a distinguished public servant, Mr. James F. Boatright, as he retires on March 3 from his position in the Department of the Air Force. Mr. Boatright's Federal career spans 39 years of service. He served as a commissioned officer in the Army and then entered the Federal civil service where he has served in the Bureau of Reclamation, the Army Corps of Engineers, the Army Research and Development Laboratory, and with the Air Force. Since 1979 he has served with great distinction as the Deputy Assistant Secretary of the Air Force for Installations. It is in this capacity that we in the Congress have become acquainted with and appreciative of the many talents of Jim Boatright.

During the buildup of our military forces throughout the early 1980's, Jim Boatright spearheaded the efforts of the Department of the Air Force to modernize its facilities championing quality of life in both the workplace and the living environment long before it became the catchword of the Department of Defense. His efforts succeeded in providing benefits to all members of the Air Force, active, reserve and civilian, as well as to their dependents who accompanied them to Air Force installations worldwide. Those installations have come to be regarded as a source of

pride throughout the Department of the Air Force and have served to set the standard of excellence for which others strive.

With the onset of downsizing of our military forces, Jim Boatright became the focal point for the Air Force in its planning to downsize its infrastructure. Throughout the first three rounds of base closure Jim Boatright has directed the Air Force efforts to reduce and he did so with the same dedication and professionalism which has been characteristic of his career.

The quality of his performance has been recognized by numerous awards, including the Presidential Meritorious Executive Rank Award, the Presidential Distinguished Executive Rank Award and the Department of Defense Distinguished Civilian Service Award. He is the only two-time awardee of this latter prestigious award. Clearly these awards bespeak the respect of those for whom and with whom he has worked in the Department of Defense. In his relations with the Congress, particularly the Armed Services Committees and the Defense subcommittees of the Appropriations Committees, he was respected above all else for the integrity with which he dealt with us.

Mr. Speaker, I salute Jim Boatright for his many achievements throughout his distinguished career and I wish him good health and godspeed as he and his wife Gloria begin their most well earned retirement.

REGULATORY TRANSITION ACT OF 1995

SPEECH OF

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1995

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 450), to ensure economy and efficiency of Federal Government operations by establishing a moratorium on regulatory rulemaking actions, and for other purposes:

Mr. UNDERWOOD. Mr. Chairman, I rise today in support of the bipartisan Condit-Combest amendment to H.R. 450, the Regulatory Transition Act. This amendment seeks to extend the regulatory moratorium on rule making to include further listings of endangered species and the designation of critical habitat under the Endangered Species Act [ESA].

Congress is preparing to reauthorize and reconstruct the Endangered Species Act. Until this is done, or until the end of the 104th Congress, the Interior Department should not be permitted to continue to acquire land for habitat designation. The Condit-Combest amendment ensures that this kind of activity is stalled until Congress has time to improve the Endangered Species Act.

The U.S. Fish and Wildlife Service has been charged and entrusted with the protection of America's unique animal species, but this must be balanced with the rights of private land owners, especially ancestral land owners. As Congress and the Committee on Resources reauthorizes the Endangered Species Act, I will fight to bring diligent science and re-

sponsible Federal action back into the equation. Scrupulous science should be the hallmark of critical habitat designation, not impetuous land grabbing.

On October 1, 1993, the U.S. Fish and Wildlife Service acquired title to 370 acres designated as excess by the U.S. Navy at Ritidian, Guam, for a wildlife refuge headquarters. This land grab came even after strong objections by my office and the Government of Guam to the U.S. Department of the Interior.

The U.S. Fish and Wildlife Service's rationale to establish a refuge for Guam's declining bird population is based on weird science. The refuge was established to protect several bird species that have allegedly become endangered. However, these populations are declining because of the introduction of the nonindigenous brown tree snake, not the lack of suitable habitat. Habitat protection will only lead to the protection of the brown tree snake and the further decline of these species. This is one example of how good science and not arbitrary habitat protection could improve the Endangered Species Act. Alternatives to habitat protection should be considered by Congress as it reforms the ESA. Land grabs such as this one must not be allowed to continue in the name of habitat preservation.

In addition to grabbing 370 acres for a refuge headquarters, the Fish and Wildlife Service has imposed on Guam a 22,873 acre wildlife refuge to protect those endangered bird species. The Federal Government continues to believe that Uncle Sam knows what is best for the people of Guam. It does not. The people of Guam know what is best and insist in shaping their own destiny and that of the island.

Guam's answer to this problem is a comprehensive land conference process taking into account historical injustices as well as the need to protect our endangered bird species and the presence of the military. The Federal Government's answer is to arbitrarily dictate 25 acres per endangered bird with no regard to sound science. Guam wants to protect its endangered species, but what we are left asking ourselves this question: What is the Federal allocation for an endangered people?

While it appears that the Federal Government has lost any sense of coherent policy toward Guam, Guam will not continue to allow bureaucracies to impose their will on our people. Whether that bureaucracy is the Fish and Wildlife Service, the National Park Service, the Department of the Interior, or the U.S. military, we will stand against any abusive action. No longer will the people of Guam wait to see what regulation or other action the Federal Government will inflict on us next.

This type of bureaucratic insolence has caused even environmentalists like myself to be opposed to the actions of the Fish and Wildlife Service. These actions are out of control and I believe a moratorium is necessary for this agency to consider its actions with regard to regulations issued under the Endangered Species Act for habitat preservation. I support a review of ESA, of its successes and its failures. Decision making should be shifted closer to the people and away from Washington so that Federal action can be more responsive to our local communities.